To: Honorable Martin Glenn

Case name: Celsius Network LLC, Case No. 22-10964

This letter is my pleading to you to understand and rule, in my case, why my withdrawals (preferences 'clawbacks') on Celsius were ordinary business transactions.

Please forgive the non-legal prose herein.

I learned from my late Uncle Leonard Meranus, from Cincinnati (a Harvard Law School graduate who passed years ago), the reason for such fear:

TWA was a company, an airline, that my company NH&A sold anti-virus to over 20 years ago. They were late in paying us—the bill was very past due. We were concerned. The cost was $75K and we were a very small company but we were eventually paid. About 60 days later the news was TWA filed for Bankruptcy. We were so happy we got paid before they went bankrupt until one day sometime later (don't remember how long), I got a call from a woman telling me she was a lawyer and that we must pay back the $75 thousand dollars.

I called my Uncle Lenny and told him what happened and asked him what I could do. His answer was "you have to pay them!". He went on to explain it was a law called Preferences and explained it like this: When a company files for bankruptcy, it is assumed that they knew they were in trouble some time before they filed. That period was determined/decided to be 90 days. The purpose of the law was to prevent the company from preferentially paying bills to some people and not others during that period when they knew they couldn't pay all their bills. Maybe they paid their friends or favorite vendors, for example. I understood him then and understood the logic behind the law.

I'm 79 years old, now, and when I started with Celsius, Nexo and Voyager, I was just looking for safe earnings on my crypto. Mostly my crypto was USDC which earned the highest earn %. There were a few exceptions like Matic and SNX. I had crypto on Celsius, Nexo and Voyager platforms and there was no bill or invoice due. The only money Celsius "owed me" was the "earn %" of the crypto that I had on their platform plus there were occasional promotions that I took advantage of that said, for example, if you deposit and additional $25,000 USDC stable coin, you'll get an additional $600 after leaving it on the platform and not withdrawing it for 30 days or more, and there was always an ongoing promotion for new customers. That is, if you referred a new customer to them via a referral code, then both you and the customer would get something like $50 of Bitcoin. The referral promotions were common on other platforms I used as well.

Each week Celsius would provide an email (or online) that showed what % they were currently paying for each crypto coin or token. Both Nexo and Voyager, the other two platforms I used, also had earn percentages depending on the coin and I shifted crypto from one platform to another to take advantage of the higher earn percent that each platform offered. Also promotions were available for new customers or existing customers plus the promotion for new customers and for customers who referred other customers.

As mentioned, I used two other very similar earning platforms: Nexo and Voyager. I moved crypto between the platforms when I saw that, for example when Nexo was paying 10% on USDC and Celsius was paying only 8.7%, I would move USDC to Nexo from Celsius. Or when Celsius had a $600 promotion for adding $25,000 USD to Celsius, I moved the $25K to Celsius

to take advantage of the promotion. I also moved crypto to balance the amount of crypto on each platform as I knew there was some risk and didn't want all eggs in any one basket.

One other thing is Celsius offered was a bonus earn % if you chose the CEL token as how you wanted to earn the interest. If I chose to earn in CEL instead of earn in kind, I received 30% additional earn but in the form of CEL which was locked up for a year versus earn in kind became available instantly. For example, when I chose earn in CEL for Bitcoin instead of earn in kind (earning Bitcoin on Bitcoin for example), I received 30% additional earn value in CEL, but the earned CEL was locked up for a year versus earn in kind became available instantly. I chose earn in CEL figuring I'd still be on the platform in the coming years.

Moving my crypto between platforms was free and the transfers happened almost instantly with exception if I changed crypto addresses where it was sent, I had to wait one day. Celsius offered unlimited transfers free, Nexo 5/month and Voyager might have had some small cost. Moving crypto between the platforms was "normal business practice" for me to go for better earn %, to take advantage of a promo or to balance my portfolio. This is what I did for two years on these platforms. I never utilized loans on Celsius.

In early 2022 I became aware that two Celsius C level employees were arrested in Israel for crypto fraud and a third person, also from Israel was an advisor to Celsius was also arrested. Alex was also an advisor to this third person's company. I was also concerned with Alex Mashinsky because he was saying things on his weekly AMA that were not true such as "Celsius is the only company that does ____" when in fact I knew that Nexo or Voyager did the same thing. Alex also embellished things like saying he invented VOIP which was untrue. These things were weighing on me and since most cryptos on Voyager were also paying similar or higher earn %, I transferred most of my remaining crypto out of Celsius from Voyager, leaving about $100K of CEL token and SNX token on Celsius. You can see these transactions in my transaction report in May 2022, especially noting the USDC transactions. This was my decision based on the conscious concern that built up from the things mentioned above. It was again, an ordinary business decision for me to get better earn % plus the concerns noted above. I left the CEL in Celsius as it was the only platform that earned interest on CEL. and also left SNX as Celsius also had the best earn %. This again was my "normal business practice" to maximize my earn % and to minimize/balance my risk. Celsius did nothing preferentially for me. Anyone could move their crypto without any action of Celsius.

In April 2022 after two years of using the platform, Celsius suddenly changed things, adding Custody wallets to my account. Added Custody wallets were eventually explained as Celsius' interpretation of some regulatory requirement for non-accredited investors in the United States. I understood that the custody wallet wouldn't earn interest. I was an accredited investor so it didn't seem to matter to me, it was just a benign addition to the platform. It did however create an additional step in my normal business practice to move crypto to other platforms or from other platforms to Celsius. To transfer out of Celsius, I had to take an additional step to move from the earn wallet where almost all my crypto resided, to the custody wallet and then I could transfer out from there. Vice versa, when I transferred crypto into Celsius, it now landed in the custody wallet and then I had to move it back to the earn wallet to earn interest. It didn't affect me other than to create an additional step each direction of a transfer. Such steps from custody to earn or from earn to custody were instantaneous so that was not an issue either. It seemed a no-brainer to keep all funds in earn wallet because nothing was earned if funds were in custody. As an accredited investor, I was not forced to move my crypto to the custody wallet, but all withdrawals had to come from the custody wallet. Note: the custody walled needed something, however small, for visibility–I forgot what that was exactly, but because of it, I put a

very small amount of crypto in both the CEL and SNX custody wallets. I put 25 CEL in custody while 52,346 CEL remained in the earn wallet, and put 3 SNX in the custody wallet and left 381 SNX in the earn wallet. The above description is because I was an accredited investor in the United States. Non-accredited investors in the US were different and non-US investors are a third category of differences that I am unfamiliar with. My other platforms of Nexo and Voyager did not change by adding custody wallets as what happened with Celsius so transfers to or from them were not affected. Voyager shortly after also went into bankruptcy, freezing wallets and Nexo worked until they decided to leave the US so I withdrew all my crypto successfully from them.

Hopefully the above clearly shows why the withdrawals (and deposits) out of (and into) the various platforms were ordinary business transactions for me just trying to maximize the earn %. Of the hundreds of transactions (see attached), I had over 70 ordinary business transactions in the 90 days prior to Celsius freezing assets and then declaring bankruptcy. Celsius had no involvement in the transfers that I made, nor when I made them or nor how much I transferred. It's wrong in my opinion to apply a preference law to something that was a normal transaction of my choosing and these transactions were clearly not a preferential payment by Celsius. Anyone who had crypto on Celsius or other platforms determined their own destiny until the platforms froze our crypto and later went into bankruptcy.

On the other hand, it's likely some insiders knew in advance that Celsius was in trouble despite Alex Mashinsky claiming publicly that everything was fine right up to the day or so before they froze the withdrawals. If insiders, who normally HODL'd their funds, suddenly withdrew in advance of the freeze making total or large withdrawals then of course, I would agree that would likely be an insider action that should be considered as a preferential withdrawal. I heard one person on a twitter space say he was with Alex the day before the freeze and that he gathered from Alex that there were problems with Celsius. He said as a result, he moved the crypto in his earn wallet to his custody wallet. The next day the platform was frozen.

Additional note. While I considered myself a purely earn customer doing ordinary business transactions, when Celsius added "custody" to my account, in order to withdraw, as mentioned, I had to transfer first (instantaneously) from earn to custody, and then withdrew from my custody account. It seems Custody withdrawals were treated differently yet moving from earn wallet had to go first to custody wallet to go out so that's confusing but seems a potential argument because the final step was out of custody wallet, not earn wallet.

Final note: my large USDC withdrawals from Celsius went to Voyager due to the earn rate being 9% plus 1% (because I had VGX tokens) = 10% when Celsius earn was 8.7% as I recall. This ordinary business transaction to Voyager, who also went bankrupt, was mostly lost as I only received back 35% of those funds. It seems wrong that the single US bankruptcy court could doubly penalize someone by claiming clawback on one side and then allowing it to be mostly lost on the other side. That needs clarification in my opinion.

In short, I am pleading that the withdrawals I made in Celsius were ordinary business transactions to earn higher yield all along and that I should have no preferences exposure.

Respectfully,

Norman Hirsch Norman Hirsch 4/6/2024